

Talking Points  
Mississippi Press Association  
Friday, June 22, 2007  
Biloxi, Mississippi

Good morning, and thank you for the invitation to join you today.

I've seen many of you recently at editorial boards and visits to your towns, and we've talked about much of the progress being made in Mississippi.

Before I take your questions, I want to give you a short update on where I think Mississippi is, and where we're going.

Snapshot of Mississippi Jobs

Toyota Plant in Blue Springs

- Will start production by 2010; to build Highlanders
- Will employ 2,000 team members
- Will have capacity to build 150,000 vehicles annually
- \$1.3B investment

GE facility in Batesville

- World leading producer of jet engines
- Will break ground on 200,000 square-foot jet engine component factory this summer
- Workforce to exceed 100 people within first 18 months of operation
- Most sophisticated manufacturing techniques of any GE facility anywhere in the world

PACCAR plant in Lowndes County

- Global leader in design and manufacture of premium light-, medium-, and heavy-duty trucks
- Will create 500 jobs, \$300M investment

- Annual payroll will be \$18M

- Production to start around 2010

#### Comcast Advanced Solutions Center in Madison County

- Comcast is nation's leading provider of cable

- Will create more than 600 jobs

- New 71,500 square-foot center to open August 2007

#### PSL-North America in Hancock County

- Pipe manufacturing and coating facility at Port Bienville Industrial Park to open in 2008

- Will initially employ 275 people

- Wages will average \$50,000 per year

Overall, coastal recovery continues to be seen through the resiliency of our people and, in turn, our economy:

- 6 coastal counties at 98% of pre-Katrina population

Manufacturing, especially in the steel and automotive sectors, and services are doing well, and providing more and better paying jobs than ever.

#### Entertainment

- Tourism (gaming) on coast at or above pre-Katrina levels

- Tunica going strong

- New businesses on Coast include:

#### Margaritaville Casino & Resort

\*Harrah's Entertainment, Inc., and Jimmy Buffet \*Projected development start date of summer 2007

\*\$704M investment (single largest development investment in MS after Katrina)

Hard Rock Hotel and Casino Biloxi

\*Slated to open July 7, 2007

\*Will provide work for over 1,300 employees

#### Cultural and Heritage Tourism

Mississippi Blues Trail – latest in string of historical markers will be installed in Vicksburg next Thursday, June 28, honoring the life and talents of Willie Dixon, often called, “the poet laureate of the blues.” This is latest step in our mission to identify Mississippi as “The Birthplace of America’s Music” and bring in visitors to the Delta and elsewhere from around the world to experience this part of our culture.

National Museum on Civil Rights – project under way to build a major new museum where people can learn more about Mississippi’s critical role in the civil rights movement.

#### Latest figures on jobs

The latest figures show our actions are producing more jobs.

The May figures on non-farm seasonally adjusted employment show that 1,159,500 Mississippians are on the job, an increase of 2,600 from April.

Importantly, that leaves us just 1,000 jobs away from record employment. I am confident we’ll break the record this year as our economy continues to grow.

#### A sea-change from years past

When I took office in 2004, our state was in a \$720 million budget hole. Since we had been using one-time money to pay recurring expenses, most new revenue had to be used to fill in the hole.

We had to make tough choices. We reformed programs like Medicaid and corrections, and we started to dig out of the hole.

My first year, there were many who called for delaying or cancelling the teacher pay raise as a cost-cutting move. I said no. A commitment had been made to our teachers, and when you're trying to keep your best teachers and trying to recruit new ones, you can't break the state's promise to them. So my first year in office, teacher pay went up 8 percent.

The state Department of Education had requested a net increase of more than \$144.3 million and other parts of government were clamoring for big increases as well. The House of Representatives passed bills to spend what everyone wanted. But they didn't have a way to pay for it. Their spending plan would have required a massive tax increase -- not just a tobacco tax increase y'all are so fond of writing about, but increases in the income tax or sales tax, and every fee you've ever heard of.

Instead of following the Democrat leadership in the House, we passed a responsible budget with no tax increase. Overall K-12 spending went up \$51.1 million, or 2.6 percent. K-12 spending was the only major budget line item that went up in the budget passed that spring.

The next year, we were still working to dig out of the hole left by the previous administration. The state department of education requested a net increase of more than \$229 million, which would have essentially taken every available dollar of new revenue, much of which still had to spent on digging out of the hole.

The legislature couldn't agree on a budget, so we had to have a special session. In that special session, we increased support for K-12 by \$127.7 million, or 6.4 percent. It wasn't everything the state department asked for, but our teachers got another 8 percent pay raise and K-12 spending went up substantially.

In the 2006 session of the legislature, the Democrat chairman of the House Education Committee proposed a new way to approach our K-12 budget. The legislature passed, and I signed into law, Cecil Brown's plan to phase in full funding of the MAEP formula. We followed that plan in FY 07, increasing K-12 by \$129.6 million, or 6.1 percent.

While digging out of the worst budget mess since the depression, we increased K-12 support each of my first three years, and increased teacher pay by more than 16 percent. Each of those years, fewer local school districts raised their taxes than they did Musgrove's last year - when the state department got everything they asked for.

Because we got our budget in line, because spending had gone up less than our revenue increased, and because our economy is doing so well, we were in a position to pass a balanced budget this year that fully funds the MAEP formula and gives our teachers a 3 percent pay raise.

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In my four years, K-12 spending will have increased by nearly \$530 million - the biggest increase of any four year period in state history. Teachers will be making over 20 percent more than they were four years ago. And we have made important reforms so we can get better results for the money we spend.

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Unlike the previous administration, we haven't increased K-12 at the expense of higher education. State support for our universities is up 32 percent and state support for our community colleges is up 52 percent, including more than doubling state support for workforce training.

We've done this while digging out of a \$720 million budget hole without raising anybody's taxes. Working together, I am proud of what we have been able to do. We are moving education forward together.

### Energy

From time to time, some of you ask about progress on the energy front. I can tell you the Mississippi Development Authority's Asset Development Division is working to find innovative ways to utilize the state's abundant assets, including both manmade and natural resources.

In particular, we are developing a variety of projects that will impact energy resources across the state.

Many of these projects have been finalized, but others are still in the working stages and are not ready for public knowledge at this time. The nature of these types of opportunities often requires a great commitment of long-term planning and development. Each project, however, is designed to improve quality of life and foster economic prosperity.

I can tell you this about the value of energy projects in Mississippi:

Total salt dome projects ... \$3,750,000,000

Total energy/biofuel projects ... \$ 9,806,000,000

Total Pipeline Projects ... \$2,046,000,000

Total STATE ENERGY-RELATED PROJECTS ... \$15,602,000,000

We are actively pursuing and negotiating other energy-related projects across the state that total ... \$26,104,000,000

You ask if the state has an energy policy, and my answer is an emphatic “YES” and it’s valued at more than \$41.7 Billion dollars.

Closing

In job creation, education, energy and across the board in so many different sectors of Mississippi life, we are working together and moving Mississippi forward.

Now, I’ll be happy to respond to your questions.

**Energy Projects in Mississippi**

The following energy-related projects have been announced in the state:

**Salt Dome Fuel Storage Projects**

Copiah	Allen Dome	Spectra Energy	\$150-\$200,000,000
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Smith	NewHome Dome	Southern Natural	\$100-\$150,000,000
Greene	Byrd Dome–SGR	So Pine Energy Ct.	\$200,000,000
Simpson, Jefferson Davis		MS Hub Storage Project	\$150-\$200,000,000
Perry	Richton Dome SPR	Federal Project	\$3,000,000,000
<b><i>Total Salt Dome Projects</i></b>			<b><u>\$3,750,000,000</u></b>

#### **Energy/Biofuel Projects**

Kemper	MS Power Company IGCC Coal Project	\$1,800,000,000
Choctaw	Silverado Coal to Liquid Gasification	\$ 26,000,000
Claiborne	Grand Gulf Nuclear Power Plant	\$4,000,000,000
Jackson	Bayou Cassotte Energy LNG Terminal	\$ 450,000,000
Jackson	Gulf LNG Clean Energy LNG Terminal	\$ 450,000,000
*Adams	Rentech CTL Project	\$2,750,000,000
Coahoma	Renewables LLC Biofuel project	\$180,000,000
Copiah	Bioengineering Resources Energy/Fuel	\$30,000,000
Warren	Bungee/Ergon Ethnol Center	\$100,000,000
Washington	Scott Petroleum BioDiesel	\$ 20,000,000
<b><i>Total Energy/Biofuel Projects</i></b>		<b><i><u>\$ 9,806,000,000</u></i></b>

\*Financing not complete

**Pipeline Projects**

Warren, Claiborne, Copiah, Lawrence, Jeff Davis, Covington, Jones, Forrest, Perry, Greene, George, Jackson	Spectra Energy (Duke) Interstate gas pipeline South/East Supply Header	\$600,000,000
Warren, Hinds, Rankin, Simpson, Smith, Jasper, Clarke	Kinder Morgan Natural Gas	\$450,000,000
Tunica, Coahoma	Ozark Fayette Natural Gas	\$20,000,000
Attala, Washington, Humphrey Holmes	Tex Gas Transmission Greenville Expansion Natural Gas	\$280,000,000
Warren, Hinds, Copiah, Simpson	Gulf South Phase 1 Natural Gas	\$200,000,000
Smith, Jasper, Clark	Gulf South Phase II Natural Gas	\$410,000,000
*Adams, Rankin, Madison, Jeff Davis, Lincoln, Franklin, Lawrence, Yazoo, Sharkey, Issaquena	Denbury CO2	\$86,000,000

***Total Pipeline Projects*** **\$2,046,000,000**

***STATE TOTAL ENERGY-RELATED PROJECTS*** **\$15,602,000,000**

MDA is also actively pursuing and negotiating other energy-related projects across the state that total **\$26,104,000,000**

TOTAL ENERGY-RELATED PROJECTS BEING PURSUED  
**\$41,706,000,000**

\* Denbury purchased a gas line to be converted to CO2 lines – conversion cost in Adams Co \$6M; Denbury from Jackson Dome to Tinsley Field \$44M; Tinsley to Delhi, LA - \$36M in MS